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To: ATR-Real Estate Workshop
Subject: A certain lack of competition

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From: Robert Thomas

Subj: Competition in the Real Estate Workshop Project V050015

There is a lack of competition in a certain area of real estate, but not because of the real estate industry. I am a licensed broker in Maryland, Virginia, District of Columbia, Florida and New Mexico. I wish to point out an area in the sale of real estate where there is very little competition, i.e. the sale of tenants-in-common (TIC) fractional parts of large buildings to small investors. A TIC is a sale of actual real estate, recognized as such by the IRS, because it qualifies for the 1031 exchange of investor funds from one property to another. However, this sale of real estate can only be handled by securities licensees, not by real estate agents. Securities sellers are regulated by the SEC which severely limits their numbers. Entry into real estate is state regulated and relatively easy, thereby making for lots of agents and heightened competition. But there are few sellers of securities and always will be, hence little competition. This does not serve the public interest.